

WORKFORCE OBSERVATIONS FOR FOX VALLEY WISCONSIN COUNTIES SEPTEMBER 2001



Unemployment Rates Down In August

During August, unemployment rates in sixty-one of the state's seventy-two counties declined, while rates in three counties remained unchanged from July, and only eight counties saw increases in their rates.

Wisconsin's unemployment rate in August was 3.9, down from 4.4 percent a month ago. The highest county rate reported was in Menominee County (10.9 percent). The second highest rate was in Juneau County, 7.6 percent, followed by Racine County at 6.7 percent. The lowest rate in the state was reported in Dane County, 1.8 percent, down from 2.0 percent in July.

The national rate of unemployment in August, at 4.9 percent, was a slight increase of 0.2 of a percentage point over the month.

The Fox valley Workforce Development Area (WDA) experienced 3.4 percent unemployment during August, which was a decline of 0.4 of a percentage point over the month. However, the August rate was up 0.8 of a percentage point from August of 2000. The annual increase is due primarily to the slowdown in manufacturing industries over the year. Between August of 2000 and August of 2001, the seven counties of the WDA lost more than 2,200 manufacturing jobs. During this same period, there was a statewide decline of over 29,200 manufacturing jobs.

In the Appleton/Oshkosh/Neenah metropolitan statistical area (MSA) portion of the WDA, the August unemployment rate was 3.2 percent, down from 3.5 percent in July. Among the seven counties of the WDA, the rates declined in six areas and increased only in Waushara County, rising from 5.1 percent in July to 5.3 percent in August.

Nonfarm wage and salary jobs in the WDA numbered 286,615 in August, slightly lower over the month, but down by 440 over the year. The loss of more than 2,200 manufacturing jobs was offset, somewhat, by increases in construction (up over 800), transportation and utilities (up over 800 for the year), retail trade (up over 680 for the year), and finance, Insurance and real estate, which grew by over 120 jobs over the year. Total employment, which includes all nonfarm wage and salary jobs plus all self employment, de-

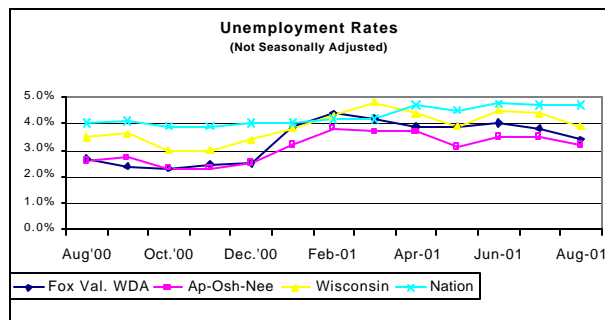
clined by more than 3,200 jobs over the month.

However, over the year, there was a net gain of more than 7,600 new jobs.

Unemployment was very low in the WDA for the month of August, and job growth during the month indicated the seasonal norm. This picture will change significantly by the time our October data is released. The rate of unemployment will rise as manufacturing layoffs continue as a result of difficulties in the paper industry, as well as the ripple that will be felt in the economy from the events of September 11th.

The MSA portion of our seven county area continued to perform well over the month and over the year. The 3.2 percent rate of unemployment in the MSA for August was down from 3.5 percent in July, and was well below the national and state rates. Over the month, the impact of the manufacturing slowdown was felt as employment in that sector declined by nearly 205 in the three county MSA (the Calumet, Outagamie, and Winnebago County area). Over the year losses in manufacturing jobs numbered over 2,000 in the MSA.

The industrial "anchor" of the economy in the MSA is the paper industry, which in August employed 19,800 workers in the three county area. The recent announced closing of Gilbert Paper Company in Menasha is the most recent casualty of that industry's reorganization, and it appears that mergers, buyouts, and re-engineering of the industry will continue for years to come as the industry seeks to remain competitive in the world market place. The paper industry pays the highest wages in the area, and has created and sustained many vendor companies that rise and fall with the economic health of paper manufacturing and converting industries.



The rapidly growing service and retail trade industrial sectors of the MSA have reported fluctuating levels of employment recently, due primarily to seasonal factors. In August, retail trade employment was up 100 jobs from July and more than 700 over the year. Services increased by 100 jobs over the month, but were down more than 800 from a year ago. Retail is an extremely competitive sector of the economy, and small units often experience closings soon after startup.

The incredible events of September 11, 2001 have caused a great deal of concern about where the nation's economy is headed. It is still too early to see how serious the unemployment rates will be as a result. It is clear that the airline industry is already in an economic crisis, and smaller carriers are in danger of shutting down completely. In our area Air Wisconsin has already announced cutbacks in staffing. The total impact on other area businesses may not be evident for some time as corporations reassess their positions in the economic picture.

The key to recent economic growth has been consumer confidence reflected by the volume of consumer spending. This will continue to be an important key as to how hard or soft the economy will drop.

The airline industry crisis, if not reversed by consumer confidence, will send a ripple through the economy that will impact retail and service industries as well as other transportation industries.

Aug-01	App/Osh/Neenah	Fond du Lac	Green Lake	Waupaca	Waushara	Region	Wisconsin
Civilian Labor Force*	232,800	57,100	11,000	27,900	13,000	341,800	3,081,400
Employed	225,400	55,100	10,500	26,900	12,400	330,200	2,959,600
Unemployed	7,400	2,100	500	1,000	700	11,700	121,800
Unemployment rate(%)	3.2%	3.6%	4.4%	3.5%	5.3%	3.4%	4.0%
Total, all industries**	207,977	48,613	7,987	22,038	6,531	286,615	2,850,766
Construction & Mining	14,426	3,374	682	1,218	461	19,700	140,278
Manufacturing	59,558	12,991	1,687	6,587	798	80,823	595,951
Transportation & Public Utilities	10,216	1,899	305	604	307	13,024	134,437
Wholesale Trade	9,323	1,926	176	825	378	12,250	139,844
Retail Trade	35,191	9,173	1,639	4,492	1,518	50,495	506,839
Finance,Insurance,Real Estate	9,127	1,661	236	658	226	11,682	153,753
Services	48,277	12,090	2,286	4,228	1,489	66,881	799,610
Government	21,859	5,499	976	3,426	1,354	31,760	380,054
Change from previous month							
Civilian Labor Force*	-3,200	-700	-100	-600	100	-4,600	-46,100
Employed	-2,400	-400	-100	-300	100	-3,200	-29,900
Unemployed	-800	-200	0	-300	0	-1,400	-16,200
Unemployment rate(%)	-0.3%	-0.3%	-0.3%	-1.1%	0.1%	-0.4%	-0.5%
Total, all industries**	-97	164	-67	-26	80	-26	-3,150
Construction & Mining	-371	-19	-6	-11	-2	-407	-628
Manufacturing	-205	-5	-18	-6	-10	-234	-1,757
Transportation & Public Utilities	-37	74	2	3	12	42	627
Wholesale Trade	-86	-9	-2	14	-23	-83	459
Retail Trade	945	56	6	11	-4	1,018	2,626
Finance,Insurance,Real Estate	-7	2	5	3	0	3	-388
Services	29	145	-6	-13	8	155	429
Government	-365	-80	-48	-27	99	-520	-4,518
Change from year ago							
Civilian Labor Force*	5,200	2,200	500	1,000	1,600	10,500	99,900
Employed	3,200	2,000	300	800	1,500	7,600	77,800
Unemployed	2,000	300	200	200	200	2,900	22,100
Unemployment rate(%)	0.8%	0.3%	1.4%	0.7%	1.0%	0.8%	0.6%
Total, all industries**	-1,081	761	-113	-7	619	-440	-6,526
Construction & Mining	385	285	18	121	75	810	-907
Manufacturing	-2,043	85	-129	-176	19	-2,263	-29,298
Transportation & Public Utilities	847	44	4	-15	23	880	1,590
Wholesale Trade	-35	55	-6	-11	77	3	-1,516
Retail Trade	661	-31	1	52	61	683	2,138
Finance,Insurance,Real Estate	112	-9	17	9	3	129	3,618
Services	-835	256	12	23	77	-544	15,340
Government	-173	75	-29	-10	285	-137	2,509
* Includes participants residing in area. ** Includes employment with employers located in area. Estimates are NOT seasonally adjusted. Current month estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.							

Look for the most current Labor Market Information at: WWW.DWD.STATE.WI.US/LMI

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